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Medicare and the New Health Care Law — *What it Means for You*

A Message from Kathleen Sebelius, Secretary of Health & Human Services

The Affordable Care Act passed by Congress and signed by President Obama this year will provide you and your family greater savings and increased quality health care. It will also ensure accountability throughout the health care system so that you, your family, and your doctor—not insurance companies—have greater control over your care.

These are needed improvements that will keep Medicare strong and solvent. Your guaranteed Medicare benefits won't change—whether you get them through Original Medicare or a Medicare Advantage plan. Instead, you will see new benefits and cost savings, and an increased focus on quality to ensure that you get the care you need.

This brochure provides you with accurate information about the new services and benefits to help you and your family now and in the future.

The Centers for Medicare & Medicaid Services (the federal agency that runs the Medicare, Medicaid, and Children's Health Insurance Program) will continue to provide you with up-to-date information about these new benefits and will ensure that your personal information is safe.

Remember—rely on your trusted sources of information when it comes to accurate information about Medicare, and don't hesitate to call 1-800-MEDICARE or go on-line at Medicare.gov if you have questions or concerns. **Don't give your personal Medicare information to anyone who isn't a trusted source.**

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What Stays the Same

The guaranteed Medicare benefits you currently receive will remain the same. During open enrollment this fall, you will continue to have a choice between Original Medicare and a Medicare Advantage plan. Medicare will continue to cover your health costs the way it always has, and there are no changes in eligibility. But, there are some important benefits that you and your family can take advantage of starting this year. Look for more details in your *Medicare and You Handbook* coming this fall.

Improvements in Medicare You Will See Right Away

More Affordable Prescription Drugs

- If you enter the Part D "donut hole" this year, you will receive a one-time, $250 rebate check if you are not already receiving Medicare Extra Help. These checks will begin mailing in mid-June, and will continue monthly throughout the year as beneficiaries enter the coverage gap.
- Next year, if you reach the coverage gap, you will receive a 50% discount when buying Part D-covered brand-name prescription drugs.
- Over the next ten years, you will receive additional savings until the coverage gap is closed in 2020.

Important New Benefits to Help you Stay Healthy

- Next year you can get free preventive care services like colorectal cancer screening and mammograms. You can also get a free annual physical to develop and update your personal prevention plan based on current health needs.

Improvements to Medicare Advantage

- Today, Medicare pays Medicare Advantage insurance companies over $1,000 more per person on average than Original Medicare. These additional payments are paid for in part by increased premiums by all Medicare beneficiaries—including the 77% of seniors not enrolled in a Medicare Advantage plan.
- The new law levels the playing field by gradually eliminating Medicare Advantage overpayments to insurance companies.
- If you are in a Medicare Advantage plan, you will still receive guaranteed Medicare benefits.
- Beginning in 2014, the new law protects Medicare Advantage members by taking strong steps to ensure that at least 85% of every dollar these plans receive is spent on health care, rather than administrative costs and insurance company profits.

Improvements in Medicare You Will See Soon

Better Access to Care

- Your choice of doctor will be preserved.
- The law increases the number of primary care doctors, nurses, and physician assistants to provide better access to care through expanded training opportunities, student loan forgiveness, and bonus payments.
- Support for community health centers will increase, allowing them to serve some 20 million new patients.

Better Chronic Care

- Community health teams will provide patient-centered care so you won't have to see multiple doctors who don't work together.
- If you're hospitalized, the new law also helps you return home successfully—and avoid going back—by helping to coordinate your care and connecting you to services and supports in your community.

Improvements Beyond Medicare That You and Your Family Can Count On

Improves Long-Term Care Choices

- New tools and resources in the Elder Justice Act, which was included in the new law, will help prevent and combat elder abuse and neglect, and improve nursing home quality.
- The new law creates a new voluntary insurance program called CLASS to help pay for long-term care and support at home.
- Individuals on Medicaid will receive improved home- and community-based care options, and spouses of people receiving home- and community-based services through Medicaid will no longer be forced into poverty.

Helps Early Retirees

- To help offset the cost of employer-based retiree health plans, the new law creates a program to preserve those plans and help people who retire before age 65 get the affordable care they need.

Helps People with Pre-existing Conditions

- The new law provides affordable health insurance through a transitional high-risk pool program for people without insurance due to a pre-existing condition.
- Insurance companies will be prohibited from denying coverage due to a pre-existing condition for children starting in September, and for adults in 2014.
- Insurance companies will be banned from establishing lifetime limits on your coverage, and use of annual limits will be limited starting in September.

Expands Health Coverage for Young People

- Young people up to age 26 can remain on their parents' health insurance policy starting in September.

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The New Law Preserves and Strengthens Medicare

New Tools to Fight Fraud and Protect Your Medicare Benefits

- The new law contains important new tools to help crack down on criminals seeking to scam seniors and steal taxpayer dollars.
- It reduces payment errors, waste, fraud, and abuse to make Medicare more efficient and return savings to the Trust Fund to strengthen Medicare for years to come.
- You are an important resource in the fight against fraud. Be vigilant and rely only on your trusted sources of information about your Medicare benefits.
- Call 1-800-MEDICARE if you have any questions or want to report something that seems like fraud.

Keeps Medicare Strong and Solvent

- Over the next 20 years, Medicare spending will continue to grow, but at a slightly slower rate as a result of reductions in waste, fraud, and abuse. This will extend the life of the Medicare Trust Fund by 12 years and provide cost savings to those on Medicare.
- In 2018, seniors can expect to save on average almost $200 per year in premiums and over $200 per year in co-insurance compared to what they would have paid without the new law.
- Upper-income beneficiaries ($85,000 of annual income for individuals or $170,000 for married couples filing jointly) will pay higher premiums. This will impact about 2% of Medicare beneficiaries.

For More Information

For more information about the new health care law now, visit www.medicare.gov. If you have any questions, call 1-800-MEDICARE (1-800-633-4227) or your State Health Insurance Assistance Program (SHIP). Visit www.medicare.gov or call 1-800-MEDICARE to get their telephone number. TTY users should call 1-877-486-2048. If you need help in a language other than English or Spanish, say "Agent" at any time to talk to a customer service representative.

Visit the Eldercare Locator at www.eldercare.gov to find out how to access home- and community-based services and benefits counseling, transportation, meals, home care, and caregiver support services. You can also call 1-800-677-1116. The Eldercare Locator, a public service of the U.S. Administration on Aging, is your first step for finding local agencies in every U.S. community.

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